

U.S. Department of Justice  
Washington, DC 20530

OMB NO. 1124-0004; Expires February 28, 2014

**Exhibit B to Registration Statement**  
**Pursuant to the Foreign Agents Registration Act of**  
**1938, as amended**

**INSTRUCTIONS.** A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements, or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. Compliance is accomplished by filing an electronic Exhibit B form at <http://www.fara.gov>.

**Privacy Act Statement.** The filing of this document is required for the Foreign Agents Registration Act of 1938, as amended, 22 U.S.C. § 611 *et seq.*, for the purposes of registration under the Act and public disclosure. Provision of the information requested is mandatory, and failure to provide the information is subject to the penalty and enforcement provisions established in Section 8 of the Act. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials or other document or information filed with the Attorney General under this Act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, DC. Statements are also available online at the Registration Unit's webpage: <http://www.fara.gov>. One copy of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public in print and online at: <http://www.fara.gov>.

**Public Reporting Burden.** Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Counterespionage Section, National Security Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

1. Name of Registrant

Hogan Lovells US LLP

2. Registration No.

2244

3. Name of Foreign Principal

Government of Ontario, Ministry of Natural Resources, and Ministry of International Trade and Investment

Check Appropriate Box:

4. ☒ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
5. ☐ There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
6. ☐ The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and expenses, if any, to be received.
7. Describe fully the nature and method of performance of the above indicated agreement or understanding.  
See Item 8 below.

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8. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant renders advice on U.S. and international laws, regulations, and policies concerning Canada-U.S. trade issues, and represents the interests of the principal in the Softwood Lumber from Canada dispute.

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9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below? Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant might from time to time contact U.S. Government officials, the media and the public regarding legislative and administrative or policy actions that affect the current and future interests of the foreign principal.

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#### EXECUTION

In accordance with 28 U.S.C. § 1746, the undersigned swears or affirms under penalty of perjury that he/she has read the information set forth in this Exhibit B to the registration statement and that he/she is familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her knowledge and belief.

Date of Exhibit B	Name and Title	Signature
September 28, 2012	Mark S. McConnell, Partner	/s/ Mark S. McConnell eSigned

Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

**Ministry of the  
Attorney General**

Legal Services Branch  
Ministry of Northern Development,  
Mines  
Room M2-24 Macdonald Block  
900 Bay Street  
Toronto ON M7A 1C3

Tel.: (416) 327-0613  
Fax: (416) 327-0646

**Ministère du  
Procureur Général**

Direction des services juridiques  
Ministère du développement du nord,  
et des Mines  
Pièce M2-24 Edifice Macdonald  
900, rue Bay  
Toronto ON M7A 1C3

Tél.: (416) 327-0613  
Télééc.: (416) 327-0646



Direct line: (416) 327 0640  
E-mail: Andrew.macdonald@ontario.ca

June 12, 2012

Mark S. McConnell  
Hogan Lovells US LLP  
Columbia Square  
555 Thirteenth Street, NW  
Washington, DC 20004-1109

Dear Mr. McConnell:

**Re: Retention of Hogan Lovells US LLP for Provision of Legal Services  
with respect to Canada/U.S. Lumber Dispute**

This retainer sets out the terms and conditions whereby your firm agrees to provide certain legal services ("services") to Her Majesty the Queen as represented by the Minister of the Attorney General ("MAG") on behalf of the Ministry of Natural Resources ("MNR" and together with MAG, the "Ministry"). This letter amends, restates and supersedes the prior letter between you and the Ministry dated July 22, 2011.

The retainer is effective as of January 1, 2012 and will continue until such time as the work has been completed to the satisfaction of the Ministry.

Your firm is being retained to provide such advice and representation on the following matters, as may be requested from time to time by the Ministry:

- 1) Representation of Ontario's interests in the matter of *United States of America v. Canada*, LCIA Arbitration No. 111790, which involves the increased harvest of "Grade 4" timber in British Columbia. The manner in which Canada defends several issues in this dispute has significant implications for Ontario, and the arbitration as a whole has strategic importance for the future of the Softwood Lumber Agreement between the Government of Canada and the Government of the United States of America dated September 12, 2006 (as amended from time to time and as extended by the extension agreement between the parties dated January 23, 2012, the "SLA 2006");

- 2) Advice regarding the extension, amendment or termination of the SLA 2006 and the implications for Ontario of any specific proposals regarding the Agreement;
- 3) Advice regarding the Administration of the SLA 2006 including issues regarding Ontario compliance;
- 4) Monitoring of the Canada-U.S. softwood lumber trade relationship, and if necessary and requested by the Ministry, initial preparation for participation in any new SLA arbitration directly involving Ontario, or in renewed litigation over lumber under U.S. countervailing duty and antidumping law;
- 5) General advice on the implications under SLA 2006 and U.S. law of changes to Ontario's forest tenure and timber sales regimes and of programs proposed by Ontario from time to time, such as the proposed Bio-Economy Fund; and
- 6) Advice on issues that could affect the SLA 2006, or the Canada-US softwood lumber relationship generally, arising out of the Canada-European Union negotiation of a Comprehensive Economic and Trade Agreement.

Mark S. McConnell and H. Deen Kaplan will be the principal counsel involved in the matter.

Your firm will obtain instructions from Andrew Macdonald, Legal Director, Legal Services Branch, Ministry of Northern Development and Mines or other instructing MAG counsel designated by Andrew Macdonald.

Your firm will brief Andrew Macdonald or other MAG instructing counsel on all relevant matters as the work is performed, based on an agreed-upon arrangement between your firm and Andrew Macdonald.

You shall prepare and submit not less than 10 business days prior to the beginning of each fiscal quarter during the term of this engagement a report describing the activities you propose to take on our behalf during such fiscal quarter (each a "Quarterly Report") in connection with the matters described in this letter together with a month by month forecast of the total amount of billable hours and billings for the work you propose to undertake during such fiscal quarter. You shall also prepare and provide such other reports and information as we may reasonably request from time to time in connection with the administration of this engagement.

In addition to your firm's legal fees, the Ministry will pay reasonable disbursements, supported by receipts or invoices, incurred in relation to this matter.

The total amount of billings (legal fees and other charges) under this retainer and for the period commencing on January 1, 2012 and ending on December 31, 2012 shall not exceed Cdn. \$300,000.00. Billings in excess of this amount, for any reason, shall require approval of Andrew Macdonald. In order to allow sufficient time for the Ministry to seek approval to increase the maximum amount of this retainer, you shall monitor your actual and estimated billings on an ongoing basis and promptly notify Andrew Macdonald if your actual or estimated billings would exceed the limit referred to above.

Your reports and billing invoices can be forwarded to:

Andrew Macdonald  
Legal Director, Legal Services Branch  
Ministry of Northern Development and Mines  
Room M2-24 Macdonald Block  
900 Bay Street, Toronto ON M7A 1C3

- with a copy to -

Jeff Walker, International Trade Specialist  
Industry Relations Branch, Forestry Division  
Ministry of Natural Resources  
70 Foster Drive, Suite 400  
Sault Ste. Marie, ON P6A 6V5

As of July 1, 2010, the Ministry is required to pay HST in accordance with the Excise Tax Act (Canada).

Should it become apparent during the course of the retainer that there are other Ministries with compatible interests in the work being done, then, subject to a satisfactory conflicts check, your firm may be instructed to act as counsel to them. If your firm is asked to act for other Ministries, your firm will continue to receive instructions from Andrew Macdonald in order to lessen the possibility of conflicts arising in instructions.

During the course of this retainer, should it become apparent to you, or should we advise you, that certain issues would be more properly addressed by Ministry lawyers or should issues be identified that involve legal and/or policy matters relating to constitutional or Charter issues or the Ontario Human Rights Code, your firm will stop any related work being performed under the retainer. Your firm will receive further instruction from Andrew Macdonald. No further work will be undertaken until your firm has received this instruction.

Should any judicial proceedings arise out of the work being done, your firm will be advised by Andrew Macdonald or instructing MAG counsel at that time whether the Ontario government will be represented by Ministry lawyers in the judicial proceedings or whether your firm will act for the Ministry under this retainer.

The Ministry may terminate the retainer at any time, without fault and without liability, upon two (2) weeks' notice of termination in writing to your firm.

The Ministry shall not by termination waive any rights or remedies it may have in law or equity at the date of termination. Termination shall not relieve your firm from its warranties and other responsibilities relating to services performed and money paid up to and including the date of termination.

The retainer may be amended, altered or added to only by written agreement between the parties which agreement is supplemental to the retainer and thereafter forms part of the retainer.

The retainer and the rights, obligations and relations of the parties shall, unless otherwise specified, be governed by and construed in accordance with the laws of the Province of Ontario

and the federal laws of Canada applicable therein. The parties do hereby attorn to the jurisdiction of the Courts of the Province of Ontario.

The general terms of representation attached hereto as Appendix "A" provided by Hogan Lovells to the Ministry form part of this retainer. In the event of a conflict between the provisions of this letter and the provisions of Appendix "A", the provisions of this letter shall prevail.

If your firm agrees with the terms and conditions set out in the retainer, please sign all three copies of this letter and return two copies to us at your earliest convenience.

Yours truly,

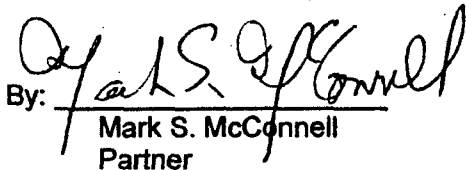


Andrew Macdonald  
Legal Director, Legal Services Branch  
Ministry of Northern Development and Mines

Cc: Jeff Walker, International Trade Specialist  
Forestry Division,  
Ministry of Natural Resources

Accepted with effect as of January 1, 2012, this 19 day of June, 2012.

HOGAN LOVELLS US LLP

By:   
Mark S. McConnell  
Partner

## APPENDIX "A"

### GENERAL TERMS OF REPRESENTATION

Hogan Lovells US LLP (the "Firm") provides legal services in connection with the matter referred to in the letter of Andrew Macdonald, Director, Legal Services Branch, Ministry of Northern Development and Mines dated June 12, 2012 (the "Retainer Letter") on the basis described in that letter and on the following terms and conditions:

#### 1. Hogan Lovells

a) Hogan Lovells refers to an international legal practice comprising Hogan Lovells US LLP, Hogan Lovells International LLP, Hogan Lovells Worldwide Group (a Swiss Verein), and their affiliated businesses, each of which is a separate legal entity. Hogan Lovells US LLP is a limited liability partnership registered in the District of Columbia. Hogan Lovells International LLP is a limited liability partnership registered in England and Wales with registered number OC323639. Most of Hogan Lovells' offices are offices of Hogan Lovells US LLP and Hogan Lovells International LLP. However, in some jurisdictions, Hogan Lovells practices through a local entity which is, or is an office of, an affiliate of Hogan Lovells US LLP or Hogan Lovells International LLP. Information about Hogan Lovells' offices and affiliates can be found on <http://www.hoganlovells.com>.

b) Pursuant to the Retainer Letter and these Terms of Representation, the full resources of Hogan Lovells will be made available to you to the extent ~~necessary to handle appropriately the matter for which you have engaged us.~~ If Hogan Lovells International LLP or any Hogan Lovells affiliate carries out any work for you in relation to the matter, they will do so as a subcontractor of Hogan Lovells US LLP, and absent any other agreement, this engagement shall establish the terms under which they will perform any such work. Under this arrangement, Hogan Lovells US LLP will be the sole contracting party with you and will alone be responsible to you for the work performed under the engagement, including for the work performed under the engagement by Hogan Lovells International LLP or any of its affiliates.

c) The word "partner" is used or refers to a partner of the Hogan Lovells US LLP, or to a member of Hogan Lovells International LLP, or an employee or consultant with equivalent standing and qualifications, and to a partner, member, employee or consultant in any of their affiliated businesses who has equivalent standing.

#### 2. Staffing

We expect the following attorneys to work on this matter, with the assistance of others as may be appropriate: Mark S. McConnell, and H. Deen Kaplan. Staffing needs, of course, change over time; we will make adjustments to staffing assignments in accordance with those needs.

**3. Basis of the Firm's Charges and Maximum Amount of Fees and Other Charges**

We will provide our services on an hourly basis at our standard rates for attorneys' and other professionals' time, which rates are periodically revised. Our standard hourly rates currently range from approximately U.S. \$310 per hour for our junior associates to approximately U.S. \$805 or more for certain of our partners. The current standard rates for Mark S. McConnell, and H. Deen Kaplan are U.S. \$805 and U.S. \$705 respectively. We have agreed that for calendar year 2012 will bill McConnell's and Kaplan's time at a discount from these rates, so that we will bill McConnell's time at U.S. \$745 and Kaplan's at U.S. \$645. These rates will be effective as of January 1, 2012. We will notify and consult with you at such times as we propose revisions to our hourly rates. We agree that our hourly rates charged under this retainer shall not increase without the approval of the Legal Director of the Ministry of Northern Development and Mines.

We also will provide an overall volume discount, as we have since 2003. For each month's bill, if our fees fall between \$50,000 and \$100,000, we will discount the amount in excess of \$50,000 by 5%. If our fees exceed \$100,000, we will discount the amount by \$2,500 plus 10% of the amount in excess of \$100,000. This discount does not apply to other charges.

The total amount of billings (legal fees and other charges) under this retainer and for the period commencing on January 1, 2012 and ending on December 31, 2012 shall not exceed Cdn. \$300,000.00. Billings in excess of this amount, for any reason, shall require prior approval of the Legal Director, Andrew Macdonald. For greater certainty, in the event that such additional billings are not approved, the Firm shall be under no obligation to continue to render services.

**4. Retainer**

We will waive our standard practice and not require a retainer for this matter. We reserve the right, however, to require a retainer in the future if payments are not timely made or in other appropriate circumstances.

**5. Payment of Fees and Other Charges**

We will bill you monthly for legal services and other charges (other charges being billed in accordance with the attached schedule, and will provide you with a detailed description of those services and charges. Payment will be due within 30 days of the date of our statement. If bills are not paid on a timely basis, the Firm has the right to cease work and withdraw from the representation in accordance with applicable Rules of Professional Conduct. If major third-party charges are incurred in connection with the representation, such as printing bills, filing fees, court reporting fees, and expert witness fees, our normal practice is to forward such statements directly to you for payment. Our fees reflect charges net of any withholdings, deductions or payments that you or we may be required to make in respect of any taxes or duties, including, without limitation, taxes in the nature of "value added taxes," sales taxes, or taxes imposed upon gross receipts that we might be required to pay (but excluding taxes payable by us with respect to our net income by reason of our having an office in the jurisdiction imposing the tax). If you or we are required by law to withhold, deduct or pay taxes or other amounts (other than taxes on our net income described in the parenthetical in the preceding sentence), then the



amount of each bill shall be treated as increased to the extent necessary that, after any withholding or deduction, we receive and retain a net sum equal to the amount of the bill.

## **6. Conflicts and Confidential Information**

Hogan Lovells has a large international legal practice with multiple offices around the world. Because of Hogan Lovells' size and geographic scope, as well as the breadth and diversity of its practice, other present or future clients of Hogan Lovells inevitably will have contacts with you. Accordingly, to prevent any future misunderstanding and to preserve the Firm's ability to represent you and its other clients, we confirm the following understanding about certain conflicts of interest issues:

- a) Unless we have your specific agreement that we may do so, neither we nor the other Hogan Lovells entities will represent another client in a matter which is substantially related to a matter in which we represent you and in which the other client is adverse to you. We understand the term "matter" to refer to transactions, negotiations, proceedings or other representations involving specific parties.
- b) In the absence of a conflict as described in subparagraph (a) above, you acknowledge that we and the other Hogan Lovells entities will be free to represent any other client either generally or in any matter in which you may have an interest.
- c) The effect of subparagraph (b) above is that we and the other Hogan Lovells entities may represent another client on any issue or matter in which you might have an interest, including, but not limited to:
  - (i) Agreements; licenses; mergers and acquisitions; joint ventures; loans and financings; securities offerings; bankruptcy, receivership or insolvency (including, without limitation, representation of a debtor, secured creditor, unsecured creditor, potential or actual acquirer, contract party or other party-in-interest in a case under the federal bankruptcy code or state insolvency laws or in a non-judicial debt restructuring, in which you are a debtor, creditor, contract party, potential or actual acquirer or other party-in-interest); patents, copyrights, trademarks, trade secrets or other intellectual property; real estate; government contracts; the protection of rights; representation before regulatory authorities as to these matters and others;
  - (ii) Representation of the Debtor or other party in a Chapter 11 case under the Federal Bankruptcy Code in which you are a creditor, debtor or otherwise have an interest in the case;
  - (iii) Representation and advocacy with respect to legislative issues, policy issues, or regulatory issues, including rulemakings, administrative proceedings and enforcement proceedings; and
  - (iv) Litigation matters brought by or against you as long as such matters are not the same as or substantially related to matters in which we are, or have been, representing you.

If at a later time you withdraw or modify this advance waiver in any material respect, you agree that at such time we shall have the right to withdraw from our representation of you pursuant to this agreement.

- d) We do not view this advance consent to permit unauthorized disclosure or use of any client confidences. Under applicable Rules of Professional Conduct, we are obligated to and shall preserve the confidentiality of any confidential information you provide to us. In this connection, we may obtain nonpublic personal information about you in the course of our representation. We restrict access to your nonpublic personal information to Firm personnel who need to know that information in connection with our representation and, as appropriate, third parties assisting in that representation. We maintain appropriate physical, electronic, and procedural safeguards to protect your nonpublic personal information. We do not disclose nonpublic personal information about our clients or former clients to anyone, except as permitted by law and applicable Rules of Professional Conduct.
- e) We will not disclose to you or use on your behalf any documents or information with respect to which we owe a duty of confidentiality to another client or person.
- f) The fact we may have your documents and/or information, which may be relevant to another matter in which we or the other Hogan Lovells entities are representing another client, will not prevent us or the other Hogan Lovells entities from representing that other client in that matter without any further consent from you.
- g) Our professional obligations require us to perform a conflicts check and not to commence work on a matter if we find conflicts of interest that would preclude us from doing so. Our professional obligations to you and to our other clients will require us to run a new conflicts check if there is any change in the parties to the matter or any material change in its nature. We must also run a new conflicts check before undertaking any new matters for you.
- h) The lawyers practicing in Hogan Lovells' offices in various jurisdictions are governed by rules of professional conduct and conflicts of interest that are prescribed by the proper authorities in each jurisdiction. Although the rules of the various jurisdictions are often similar, they are not identical. Only the rules in force in the specific jurisdictions in which the Hogan Lovells' lawyers representing you are practicing apply to those lawyers, subject to any permitted modifications of those rules reflected in these Terms of Representation.
- i) No conflict of interest will be imputed from a Hogan Lovells lawyer in one jurisdiction to a Hogan Lovells lawyer in another jurisdiction. If the first lawyer would be free to undertake the proposed matter in his or her home jurisdiction, the first lawyer's work shall not be used to disqualify the second lawyer from a matter in the second lawyer's jurisdiction.

- j) From time to time, Hogan Lovells includes client identities in marketing materials. These materials may include: print and online descriptions of Hogan Lovells' services, brochures, presentations to other clients, industry surveys and rankings, transactions lists in professional publications, recruiting material, and media outreach. You give your permission for Hogan Lovells to use your name and a brief description of the work we do for you in these materials, provided that no confidential information about you or the Firm's work for you is revealed.

## **7. Client Identification**

Her Majesty the Queen as represented by the Minister of the Attorney General ("MAG") on behalf of the Ministry of Natural Resources ("MNR" and together with MAG, the "Ministry"), is our client for the specific matters on which we are engaged, and that we shall not be deemed to represent any other person, including other Ministries of the Ontario Government, Crown Corporations, subsidiaries or other affiliates unless we expressly agree in writing to do so. Further, our representation of a corporation, partnership, joint venture, or other entity does not include a representation of the individuals or entities that are shareholders, officers, directors, partners, joint venturers, employees or members of such entities or their interests in such entities. There is no attorney-client relationship between the Firm and any such related person or entity. The attorney-client privilege is solely between the client and the Firm. Any proposed expansion of the representation to include any such related persons or entities shall be subject to and contingent upon execution of an engagement letter directly with those persons or entities.

The Firm, as part of Hogan Lovells, has a large international legal practice with active practices in a variety of areas, including regulatory matters, government contracts, and litigation. In a variety of matters currently being handled by the Firm for other clients, the scope of its representation is such that other Ontario agencies or the Ontario Government as a whole are or may be adverse parties. (We of course have monitored potential conflicts with Ontario for years, and do not believe that there is any direct conflict between the Firm and the Ministry.) We also expect to represent clients in future matters under circumstances in which the Ministry and other Ontario agencies may be adverse parties. To ensure that our work for the Ministry does not adversely affect the Firm's and the other Hogan Lovells entities' ability to continue to represent other clients on current or future matters where their interests may be adverse to the Ontario Government or any agencies thereof (including the Ministry), including litigation against or other adversities to the Ontario Government or any of its agencies, the Ministry agrees that: (1) the Ministry is our client for the specific matters on which it engages us, and the Firm and the other Hogan Lovells entities shall not be deemed to represent the Ontario Government or any other agency thereof with respect to such matters; and (2) the work we perform for the Ministry in this matter will not disqualify the Firm or the other Hogan Lovells entities from working on any other current or future matters, including litigation, bankruptcy or bid protest matters, in which the interests of the Ontario Government or any agencies thereof (including the Ministry) are or may be adverse to the interests of our client(s) so long as those other current or future matters do not directly relate to the work performed for the Ministry in this matter.

## **8. Disclosure Issues**

### **a. Lobbying Disclosure Act of 1995**

Please note that, under certain circumstances, lawyers who lobby officials of the executive or legislative branches or federal agencies must publicly disclose such activities under

the Lobbying Disclosure Act of 1995. If our activities on your behalf trigger the Act's registration and reporting requirements, we will have to file reports, which will be made available to the public, disclosing our representation of you, the general nature of our "lobbying" activities on your behalf, and the Firm's income from such activities. We will bill you for any time spent complying with the Act's requirements in connection with matters handled for you.

**b. Foreign Agents Registration Act**

Under certain circumstances, lawyers who represent non-U.S. clients with respect to certain matters, including political activities, public relations, and advocacy before any agency or official of the U.S. government, must publicly disclose such activities under the Foreign Agents Registration Act. If our activities on your behalf trigger the Act's registration and reporting requirements, we will have to file reports, which will be made available to the public, disclosing our representation of you, the general nature of our activities on your behalf, and the Firm's income from such activities. We will bill you for any time spent complying with the Act's requirements in connection with matters handled for you.

**c. Tax Shelter Regulations**

U.S. Internal Revenue Service ("IRS") regulations require certain "material advisors" who make "tax statements" in the course of their work to maintain lists containing specified information and to disclose such information to the IRS upon request. The lists generally identify participants in a transaction, describe their anticipated tax benefits, and must include certain supporting documentation. Although targeted at "potentially abusive tax shelters," these regulations encompass "any transaction that has the potential for tax avoidance or evasion." Many of the commercial and other matters that we handle involve incidental tax issues that may bring them within this definition, even if we are not acting as our client's tax adviser with respect to the matter. If our activities on your behalf trigger these record keeping or disclosure obligations, we will be required to comply with the applicable law. We will bill you for any time spent doing so in connection with any matters that we handle for you. If you have any questions about these regulations, you should consult with your regular tax adviser or with one of our tax attorneys.

**d. Compliance with Audit Requests, Subpoenas, Legal Process and Other Requests or Demands for Information**

From time to time we may be required to respond to other requests for information or documents about you or our work for you. Such requests may come from you or your auditors. They may also come from third parties through a subpoena or other legal process to which we are required to respond. We will bill you for any time spent or costs incurred responding to such requests or demands in connection with any matters we handle for you. In the event the Firm considers it necessary to engage counsel in connection with any such third party inquiries, those expenses will be reimbursable costs under this engagement. The Firm will consult with you before engaging counsel.

**9. Scope of Services**

Our acceptance of this engagement does not involve an undertaking to represent you or your interests in any matter other than that which is described in the Retainer Letter. In particular, unless specifically made a part of this engagement, our engagement does not include responsibility for review of insurance policies to determine the possibility of coverage for any claims that have been or might be asserted in a matter in which we are representing you, for

notification of insurance carriers about such matters, or for advice about disclosure obligations concerning the matter under the federal securities laws or any other applicable law.

**10. Client Files; Retention**

During the course of this engagement, we shall maintain certain documents, both hard-copy and electronic, which pertain to the engagement and which in our judgment should be so maintained (the "Client File"). The Client File shall be your property. If you wish any documents we maintain in the Client File to be returned to you, we shall do so upon your request, although we shall be entitled to make copies of any such documents at our expense. Further, any expenses we incur in returning the Client File to you (other than costs incurred in making copies for ourselves) shall be billed to and paid by you, including without limitation any costs incurred in converting electronic documents to hard copy documents if you request such conversion. If you do not request return of the Client File, we shall maintain the documents in it for a period of seven (7) years from their creation, and thereafter may destroy the subject documents without further communication with you.

### **STANDARD SCHEDULE OF OTHER CHARGES**

Other charges incurred in connection with this representation will be billed on the following basis until further notice: secretarial overtime resulting from time-sensitive or unusual requests from clients at an hourly rate based on office location (and average compensation in effect in each office), with other staff at \$30/hour; outgoing facsimiles at \$1.50 per page; in-house photocopying at \$0.20/page for black and white copies and \$0.60/page for color copies; word processing operators and proofreaders at hourly rates based on office location (and average compensation in effect in each office). The following items are billed at actual cost: computerized research, express delivery services, postage, outside messengers, outside photocopies, transcripts, food services, and all additional charges.